

KEVIN P. LAVENDER, In his official)
capacity as Commissioner-In-)
Possession of Sentinel Trust Company)
and Receivership Management, Inc.,)
Receiver of Sentinel Trust Company,)
Plaintiffs,) **No. 4980**
v.)
DANNY N. BATES, et al.,)
Defendants.)

Pursuant to Rule 56, Tenn. R. Civ. P., Plaintiffs Greg Gonzales, as Commissioner-in-Possession of Sentinel Trust Company, and Receivership Management, Inc. as Receiver of Sentinel Trust Company, move that summary judgment be granted in their favor as to various claims against various Defendants. Rule 56.01 Tenn. R. Civ. P. Filed herewith is Plaintiffs' Statement of Undisputed Facts (as required pursuant to Rule 56.03 Tenn. R. Civ. P.) and Plaintiffs' Memorandum of Law in Support.

Plaintiffs assert that as to the following claims against the following Defendants, no genuine dispute of material fact exists and judgment in Plaintiffs' favor is compelled as a matter of law:

- a) Conversion -- Danny Bates and Deanna June Bates;
- b) Unjust Enrichment -- Deanna June Bates;

- c) Breach of Fiduciary Duties -- Danny Bates, Clifton Todd Bates and Gary O'Brien; and
- d) Fraudulent Transfer of Property -- Danny Bates and Sentinel Services Corporation

Accordingly, and as set forth more fully in the filings attendant to this Motion, Plaintiffs' request entry of an order providing for the following:

- a) granting judgment in favor of Plaintiffs as to the conversion claim against Danny Bates with award of \$2.175 million against him and vesting title to the 205 Bastin Road property in the name of the Commissioner-in-Possession;
- b) granting judgment in favor of Plaintiffs as to the conversion claim against Deanna June Bates with award of \$1.6 million against her and vesting title to the 205 Bastin Road property in the name of the Commissioner-in-Possession;
- c) granting judgment in favor of Plaintiffs as to the unjust enrichment claim against Deanna June Bates and vesting title to the 205 Bastin Road property in the name of the Commissioner-in-Possession;
- d) granting of judgment in favor of Plaintiffs as to the breach of fiduciary duties claim against Danny Bates with an award against him of \$2.175 million resulting from his criminal actions and \$4.395 million resulting from the deficiency in the Sentinel Trust pooled fiduciary account;
- e) granting of judgment in favor of Plaintiffs as to the breach of fiduciary duties claim against Clifton Todd Bates and Gary O'Brien with a joint and several award against them of \$4.395 million resulting from the deficiency in the Sentinel Trust pooled fiduciary account;
- f) granting judgment in favor of Plaintiffs as to the claims of fraudulent conveyance of property against Danny Bates and Sentinel Services Corporation as to the properties identified herein and the vesting of title of those properties in the name of the

Commissioner-in-Possession as well as other appropriate remedies pursuant to T.C.A. §66-3-308;

- g) entry of the order granting Plaintiffs' Motion for Summary Judgment as a final order as to the matters so granted (Rule 54.02 Tenn. R. Civ. P.); and
- h) all other relief as deemed necessary by the Court.

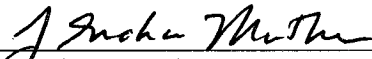
So as to be "of record" in relation to this Motion, the following exhibits (which are referenced in the attendant filings) are attached hereto:

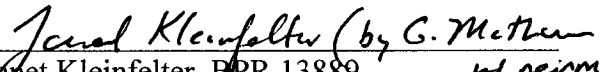
- Exhibit 1: Verdict Form in Danny Bates' Criminal Trial (State v. Bates, Criminal Court of Davidson County, Tennessee #2006-C-2246);
- Exhibit 2: Jury Charge in Danny Bates' Criminal Trial;
- Exhibit 3: Criminal Judgment as to Danny Bates;
- Exhibit 4: Cover page of Transcript of Restitution Hearing as to Danny Bates' Criminal Conviction;
- Exhibit 5: Transcript Excerpts from Danny Bates' Criminal Trial, including Exhibits 31, 32, 39, 40, 41, 51 and 52;
- Exhibit 6: Transcript Excerpts from Danny Bates' Criminal Trial, including Exhibits 14, 15 and 48;
- Exhibit 7: Danny Bates' Answers to Plaintiffs' First Set of Interrogatories (dated June 2, 2006);
- Exhibit 8: Transcript Excerpts from Danny Bates' Criminal Trial;
- Exhibit 9: Danny Bates' June 24, 1993 Voluntary Petition for Chapter 7 Bankruptcy;
- Exhibit 10: April 22, 1994 Bankruptcy Trustee's Deed in Danny Bates' Bankruptcy;
- Exhibit 11: April 23, 2004 Quitclaim Deed from Danny N. Bates to Deanna June Bates;
- Exhibit 12: April 30, 2004 Personal Financial Statement of Danny Bates (DNB 2911);

- Exhibit 13: May 18, 2004 Notice of Filing of Notice of Possession of Sentinel Trust Company in Lewis County Chancery Court -- case #4781;
- Exhibit 14: July 30, 2004 Affidavit of Danny N. Bates;
- Exhibit 15: Transcript Excerpts from Danny Bates' Criminal Trial;
- Exhibit 16: Transcript Excerpts from April 1, 2005 Davidson County Chancery Court Proceedings (case #04-1934-I);
- Exhibit 17: Danny Bates et al.'s June 28, 2004 Petition for Writ of Certiorari and for Subsequent Writ of Supersedeas in Davidson County Chancery Court Proceedings (case #04-1934-I);
- Exhibit 18: May 2, 2004 Interoffice Memo from Danny Bates to All Sentinel Personnel (DNB 0692) (and also Exhibit 60 to Bates Criminal Trial);
- Exhibit 19: Danny Bates et al.'s May 3, 2006 Motion to Stay Final Judgment and Supporting Oaths in Lewis County Chancery Court Receivership Proceedings (case #4781);
- Exhibit 20: December 20, 2006 Order of Lewis County Chancery Court (Receivership Court) denying Bates' Motion for Stay (case #4781);
- Exhibit 21: July 9, 2004 Quitclaim Deed of two tracts from Danny N. Bates to Deanna June Bates;
- Exhibit 22: July 9, 2004 Quitclaim Deed from Danny N. Bates to Clifton T. bates and wife, Allyson R. Bates;
- Exhibit 23: June 18, 2004 Notice of Filing of Notice of Liquidation of Sentinel Trust Company in Lewis County Chancery Court (case #4781);
- Exhibit 24: Deposition of Danny N. Bates as Trustee of Bates Family Trust (August 17, 2005);
- Exhibit 25: October 12, 2004 Quitclaim Deed from Sentinel Services Corp. to Danny N. Bates (as Trustee for Bates Family Trust);
- Exhibit 26: October 12, 2004 Quitclaim Deed from Sentinel Services Corp. to Danny N. Bates (as Trustee for Bates Family Trust);
- Exhibit 27: Affidavit of Jeanne B. Bryant dated December 22, 2009;
- Exhibit 28: Transcript Excerpts from Danny Bates' Criminal Trial;

- Exhibit 29: Transcript Excerpts from April 1, 2005 Davidson County Chancery Court Proceedings (case #04-1934-I);
- Exhibit 30: March 22, 2005 letter from Roger C. Vincent of Chancellor Health Partners, Inc. to Graham Matherne, and Transcript Excerpts from April 1, 2005 Davidson County Chancery Court Proceedings evidencing that March 22, 2005 letter was received into evidence as Exhibit 32 to that proceeding without objection; and
- Exhibit 31: July 28, 2000 cover letter from Commissioner Houston to Sentinel Trust Company's Board of Directors regarding December 31, 1999 Report of Examination.

Respectfully submitted,


J. Graham Matherne, BPR 11294
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Company


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Facsimile: 615.532.8223
Counsel for Commissioner-in-Possession of
Sentinel Trust Company

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing has been served upon the following, via U.S. Mail, and by Federal Express as noted, on this the 23rd day of December, 2009.

David D. Peluso
P.O. Box 250
Hohenwald, TN 38462-0250
(without exhibits)

Diana M. Thimmig
Roetzel & Andress
1375 East Ninth Street
One Cleveland Center, Ninth Floor
Cleveland, OH 44114
(without exhibits)

Larry Stewart
Adams and Reese/Stokes Bartholomew
424 Church Street, Suite 2800
Nashville, TN 37219
(without exhibits)

James S. Hereford, Jr.
310 W. College Street
P.O. Box 802
Fayetteville, TN 37334-0802
(without exhibits)

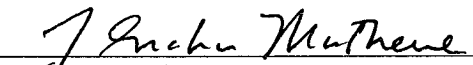
Howard Cochran
3636 Mahlon Moore Road
Spring Hill, TN 37174

Gary O'Brien
163 Shady Lane
Hohenwald, TN 38463

Danny Bates
Sentinel Services Corporation
205 Bastin Road
Hohenwald, TN 38462
(Via Federal Express)

Deanna June Bates
Sentinel Services Corporation
205 Bastin Road
Hohenwald, TN 38462

Clifton Todd Bates
312 Bastin Road
Hohenwald, TN 38462


J. Graham Matherne